

Lead topic: Public Service Pay and Industrial Relations	Sub-topic: Pension contribution rates	Contact: Peter Brazel
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FAST FACTS

- One of the Government’s key objectives in the recent negotiations was to provide for an additional permanent Superannuation Contribution of €550m from public servants towards securing the sustainability of public service pensions now and into the future.
- The issue of additional superannuation contribution rates for public servants is dealt with under section 6.1 of the proposed Agreement.
- If this Agreement is ratified, the yield from PRD will fall from over €700 million at present to some €550 million in 2020 which will now become a permanent additional superannuation contribution (ASC). These reforms will make a major contribution to the future sustainability of public service pensions.
- Those public servants who are members of pre-2013 pension schemes with fast accrual terms (for example, members of An Garda Síochána, Prison Officers, or Full-time Firefighters) will have to make a pension contribution once they begin earning above €28,750. This is in contrast to the threshold of €34,500 which will apply to their standard accrual counterparts.

Q&A’S

Q: How will these changes affect public servants who are members of pre-2013 pension schemes with standard accrual terms?

A: The ASC rates for these public servants will be similar to the current PRD rates. However, the thresholds for payment of these rates will be raised so that those earning up to €34,500 will be fully exempt from the ASC by 1 January 2020.

Q: How will these changes affect public servants who are members of the Single Public Service Pension Scheme?

A: Similar to their pre-2013 counterparts, members of the Single Public Service Pensions Scheme who earn up to €34,500 will be fully exempt from the ASC by 1 January 2020. However, unlike their pre-2013 colleagues who will continue to pay the ASC at rates similar to those of the current PRD, Single Scheme members will make lower ASC contributions on earnings (66.66% less than their colleagues) above this €34,500 threshold.

These lower ASC rates are intended to reflect the lower value of pension available to Single Scheme members, and will cause the overall pay increases due to this cohort under this Agreement to range from some 7% to 10%.

Q: How will these changes affect public servants who are members of pre-2013 pension schemes with fast accrual terms, for example, members of An Garda Síochána, Prison Officers, or Full-time Firefighters?

A: Those public servants who are members of pre-2013 pension schemes with fast accrual terms will have to make a pension contribution once they begin earning above €28,750, which means that their situation in net terms will not change from what it is at the moment. This is in contrast to the threshold of €34,500 which will apply to their standard accrual counterparts by 1 January 2020.

They will make these contributions (similar to their standard accrual pre-2013 colleagues) at the current PRD rates of:

- Up to €60,000 – 10%
- €60,000 plus – 10.5%

The tables laying out these proposed changes may be found on pages 13 and 14 of the draft Agreement, section 6.1